

Calculating Monthly Premiums for Dow Retirees

Retiree premiums are based on:

- level of coverage you elect (Retiree Only, Retiree + Spouse of Record/Domestic Partner of Record, etc.),
- your Retirement date,
- your Medicare eligibility,
- your Spouse of Record's/Domestic Partner of Record's Medicare eligibility (if applicable),
- your length of service,
- medical plan you choose,
- amount of the Retiree Medical Premium Cap and
- Partial Premium Holiday, if applicable.

What You Need to Calculate Your Monthly Premium	
If you retired after January 1, 1993, with less than Full Service and you are enrolling in...	Calculate your monthly premium using... (Charts for all plans can be found at www.dowfriends.com or by calling the Retiree Service Center. The Support Schedule and worksheets can be found in this document.)
MAP Plus or another plan that has met the Retiree Medical Premium Cap (see Plans that Have/Have Not Met the Retiree Medical Premium Cap below)	<ul style="list-style-type: none"> • Total cost to insure for MAP Plus or your HMO or other plan that has met the cap • Support Schedule • 2012 Monthly Premium Worksheet for Plans That Have Met the Retiree Medical Premium Cap* (This worksheet takes into account that Dow has met the Retiree Medical Premium Cap for certain plans, which means additional cost sharing and higher premiums for Dow Retirees enrolling in these plans.)
The Catastrophic Medical Plan or another plan that has not met the Retiree Medical Premium Cap (see Plans that Have/Have Not Met the Retiree Medical Premium Cap below)	<ul style="list-style-type: none"> • Total cost to insure for the Catastrophic Medical Plan or your HMO or other plan that has not met the cap • Support Schedule • 2012 Monthly Premium Worksheet for Plans That Have Not Met the Retiree Medical Premium Cap*

Plans that Have/Have Not Met the Retiree Medical Premium Cap

All plans have met the cap, with the exception of the plans listed in the chart below:

Pre-Medicare Eligible Plans that <i>Have Not Met</i> the Retiree Medical Premium Cap	Medicare Eligible Plans that <i>Have Not Met</i> the Retiree Medical Premium Cap
<ul style="list-style-type: none"> • Catastrophic Medical Plan • Puerto Rico – Triple-S PPO Plan (if you or you and your SP of Record/DP of Record, if applicable, are Pre-Medicare Eligible) 	<ul style="list-style-type: none"> • Arizona – PacifiCare of Arizona, Inc. SecureHorizons • California – Aetna Golden Medicare Plan – CA • Florida – Humana Gold Plus – FL • Texas – KelseyCare Advantage

Monthly Cap for 2012

Coverage Level	Pre-Medicare Eligible	Medicare Eligible	One Pre-Medicare Eligible/One Medicare Eligible
Retiree Only	\$501.07	\$193.67	N/A
Retiree + SP of Record/DP of Record	\$1002.14	\$387.33	\$694.74
Retiree + Child(ren)	\$651.95	\$344.54	N/A
Retiree + SP of Record/DP of Record + Child(ren)	\$1153.02	\$538.21	\$845.62

Support Schedule – Determines Percent of Full Service Subsidy

Years of Service	Your Contribution Toward the Full Service Subsidy	Dow's Contribution Toward the Full Service Subsidy	Years of Service	Your Contribution Toward the Full Service Subsidy	Dow's Contribution Toward the Full Service Subsidy
10	60%	40%	20	30%	70%
11	57%	43%	21	27%	73%
12	54%	46%	22	24%	76%
13	51%	49%	23	21%	79%
14	48%	52%	24	18%	82%
15	45%	55%	25	15%	85%
16	42%	58%	26	13%	87%
17	39%	61%	27	11%	89%
18	36%	64%	28	9%	91%
19	33%	67%	29	7%	93%
			30 or more	Full Service Retiree Contribution	Full Service Retiree Contribution

Full Service:

You have Full Service with Dow if you:

- Retired prior to January 1, 1993, with 10 or more years of service
- Retired after January 1, 1993, and have either a minimum of 85 points or 30 or more years of service recognized under the Retiree Medical Support Schedule
- Were hired after January 1, 1993, and have 30 or more years of service recognized under the Retiree Medical Support Schedule

For 60 Point Retiree Medical Severance Plan Participants, "Full Service" means a former Employee who has 30 or more years of service at the time his or her employment with Dow terminates. If a former Employee was hired prior to January 1, 1993, and has 85 or more points, the former Employee also has "Full Service."

Service with certain subsidiaries and affiliates of the Company that is recognized, and service with others that is not (See the Plan Document for details.)

2012 Monthly Premium Worksheets

Worksheet for Plans that *Have Met* the Retiree Medical Premium Cap

If you do not have Full Service, use this worksheet for MAP Plus and all other plans that are **not** listed in the chart at the bottom of the first page of this document as not having met the cap.* (For example calculations, please refer to the last page of this document.)

Monthly Premium = Monthly Total Cost to Insure - (Monthly Cap x Dow's Contribution Toward the Full Service Subsidy)

1. Find your Monthly Total Cost to Insure for MAP Plus or your HMO or other plan that has met the cap.	(1) \$ _____
2. Find the Monthly Cap for your coverage level in this document.	(2) \$ _____
3. Based on your years of service at the time of Retirement, find Dow's Contribution Toward the Full Service Subsidy on the Support Schedule in this document. ¹	(3) x _____ %
4. Multiply Line 2 by Line 3 for the portion of the Monthly Cap to be paid by Dow.	(4) = \$ _____
5. Subtract Line 4 from Line 1. This is your monthly premium. ^{2,3}	(5) \$ _____

¹To calculate your contribution if you had a partial year of service, round up to the next year of service, which will give Dow a higher percent contribution and you a lower percent contribution.

²If your monthly premium calculates to less than the rate for Full Service Retirees, the rate for Full Service Retirees will apply.

³The monthly premium calculated does not reflect any temporary partial premium holidays.

Worksheet for Plans that *Have Not Met* the Retiree Medical Premium Cap

If you do not have Full Service, use this worksheet for the Catastrophic Medical Plan and all other plans that have not met the cap as listed in the chart at the bottom of the first page this document.

Monthly Premium = Monthly Total Cost to Insure x Your Contribution Toward the Full Service Subsidy

1. Find your Monthly Total Cost to Insure on the appropriate chart for the Catastrophic Medical Plan or your HMO that has not met the cap.	\$ _____
2. Based on your years of service at the time of Retirement, determine the percent of your contribution toward the Full Service Subsidy according to the Support Schedule in this document. ¹	x _____
3. Multiply the Monthly Total Cost to Insure by your percentage. This is your monthly premium. ^{2, 3}	= _____

¹To calculate your contribution if you had a partial year of service, round up to the next year of service, which will give Dow a higher percent contribution and you a lower percent contribution.

²If your monthly premium calculates to less than the rate for Full Service Retirees, the rate for Full Service Retirees will apply.

³The monthly premium calculated does not reflect any temporary partial premium holidays.

Example Calculations

The examples below illustrate four different Retiree scenarios for calculating the Retiree Medical premium under MAP Plus or other plans that have met the Retiree Medical Premium Cap.

Example 1

Retiree #1 and his Spouse of Record both are Medicare Eligible. He has 29 years of service and Retiree + SP of Record coverage under MAP Plus, and Dow's contribution toward the cap is 93% according to the Support Schedule.

\$605.33 Monthly total cost to insure
-360.22 Monthly cap of \$387.33 x 93% (.93)
\$245.11 Retiree cost*

Example 2

Retiree #2 and his Spouse of Record both are Pre-Medicare Eligible. He has 20 years of service and Retiree + SP of Record + Child(ren) coverage under MAP Plus, and Dow's contribution toward the cap is 70% according to the Support Schedule.

\$1800.02 Monthly total cost to insure
-807.11 Monthly cap of \$1153.02 x 70% (.70)
\$992.91 Retiree cost*

Example 3

Retiree #3 is Medicare Eligible. She has 25 years of service and Retiree Only coverage under MAP Plus, and Dow's contribution toward the cap is 85% according to the Support Schedule.

\$302.67 Monthly total cost to insure
-164.62 Monthly cap of \$187.70 x 85% (.85)
\$138.05 Retiree cost*

Example 4

Retiree #4 is Pre-Medicare Eligible and his Domestic Partner of Record is Medicare Eligible. He has 15 years of service and Retiree + DP of Record coverage under MAP Plus, and Dow's contribution toward the cap is 55% according to the Support Schedule.

\$1084.74 Monthly total cost to insure
-382.11 Monthly cap of \$678.70 x 55% (.55)
\$702.63 Retiree cost*

*Retiree cost does not reflect any temporary partial premium holiday.